

Item 7:

SCA 2018 Legislative Agenda

POTENTIAL FUTURE ACTION ITEM

SCA Staff Contact

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2017-2018 SCA Legislative Committee Members

SCA President and Kenmore Mayor David Baker (Chair); Mayor Nancy Backus, Auburn; Mayor Leanne Guier, Pacific; Councilmember Amy Ockerlander, Duvall; Councilmember Ed Prince, Renton; Deputy Mayor Catherine Stanford, Lake Forest Park

Potential Future Action

To bring the following policy position back to the next PIC meeting for possible action:

The Sound Cities Association (SCA) urges the Washington State Legislature to take the following actions in 2018:

Adjust the Property Tax Cap

- *The Sound Cities Association urges the Legislature to give local governments the option to replace the arbitrary annual 1% cap on property tax increases with a limit tied to inflation plus population growth.*

Invest in Public Health Services

- *The Sound Cities Association urges the Legislature to fund the core public health services provided by local health jurisdictions.*

Address the Housing and Homelessness Crisis

- *The Sound Cities Association urges the Legislature to partner with us to address homelessness and increase the supply of affordable housing in the following ways:*
 - *Expand and make permanent the Document Recording Fee*
 - *Invest \$200 million in the Housing Trust Fund*
 - *Allow local governments to create and preserve affordable housing through optional local tools*
- *The Sound Cities Association urges the Legislature to address other underlying causes of homelessness by making investments in our state's behavioral health system and enacting legislation to prohibit Source of Income Discrimination.*

Background

During the 2016 SCA Board of Directors retreat, the Board developed a strategy to “increase SCA influence in State and County government,” and adopted action items including identifying strategic legislative priorities and forming a Legislative Committee. The Board then appointed a

Legislative Committee consisting of members from each geographic caucus, which developed a recommended SCA 2017 Legislative Agenda. The PIC reviewed and recommended that proposed Legislative Agenda to the SCA Board, by which it was formally adopted. The SCA 2017 Legislative Agenda is included here as [Attachment A](#).

During each PIC meeting this year, SCA staff have reported on progress toward the priorities outlined in SCA's 2017 Legislative Agenda: adjusting the property tax cap, investing in public health services, and addressing the housing and homelessness crisis (see the January [PIC Packet](#) and [Meeting Minutes](#), February [PIC Packet](#) and [Meeting Minutes](#), March [PIC Packet](#) and [Meeting Minutes](#), May [PIC Packet](#) and [Meeting Minutes](#), June [PIC Packet](#) and [Meeting Minutes](#), and July [PIC Packet](#) and [Meeting Minutes](#)).

Finally, in September, after the conclusion of the regular legislative session and three special sessions, SCA staff reported to the PIC on the final status of SCA's legislative priorities, all of which remained largely unresolved (see the September [PIC Packet](#) and [draft Meeting Minutes](#)). In September, SCA staff also invited PIC member input into potential SCA legislative priorities for the coming 2018 session.

SCA Legislative Committee Recommendation

On September 20, 2017, the SCA Board of Directors appointed a 2017-18 SCA Legislative Committee, again made up of members from each geographic caucus. This SCA Legislative Committee met September 27, 2017 to consider progress toward SCA's 2017 legislative priorities, newly emerging issues, and the outlook for the 2018 legislative session.

Members agreed that the three priorities contained in the SCA 2017 Legislative Agenda remain unresolved after the 2017 legislative session and continue to be issues of importance to the region. Members discussed the need to maintain consistent messaging year-to-year and pursue a longer-term advocacy strategy to achieve the adopted priorities. The SCA Legislative Committee agreed to recommend to the PIC and the SCA Board of Directors that the 2017 areas of focus be continued for 2018 as follows:

- Adjusting the Property Tax Cap,
- Investing in Public Health Services, and
- Addressing the Housing and Homelessness Crisis

The SCA Legislative Committee also discussed emerging issues and weighed the benefit of including additional items on the SCA 2018 Legislative Agenda and determined that the existing areas of focus already encapsulate issues such as the heroin and opiate crisis and the need for swift passage of a 2017-19 biennial capital budget.

Members discussed the relative role of the SCA Legislative Agenda and their individual city and Association of Washington Cities (AWC) legislative strategies and concurred with last year's Legislative Committee recommendation that SCA should not duplicate the work of AWC. Rather, SCA's Legislative Agenda should focus on areas of special concern to cities in King County and the Puget Sound region. Furthermore, this year's SCA Legislative Committee concurred that SCA should again develop an agenda that is high level to allow SCA to be nimble in responding to issues as they arise during the legislative session.

Members agreed that a draft SCA 2018 Legislative Agenda ([Attachment B](#)) should be brought to the Public Issues Committee for review and potential initial action on October 11, 2017 with a potential final PIC recommendation on November 8, 2017.

Proposed SCA 2018 Legislative Priorities

As noted above, the SCA Legislative Committee has developed a recommended SCA 2018 Legislative Agenda that would carry forward previously adopted priorities, each of which remains largely unresolved after the 2017 session as described below.

Adjusting the Property Tax Cap

For 2017, SCA joined a coalition urging the Legislature to give local governments the option to replace the arbitrary one percent property tax cap with a new cap that takes into account inflation and population growth ([HB 1764/SB 5772](#)). This year, the Legislature exempted itself from the one percent property tax cap for purposes of new school funding but did not adjust the cap for local governments. It's not expected that the state will act to adjust the property tax cap before 2021, when its own exemption is due to sunset, but continued advocacy on this issue is anticipated. King County Executive Office staff indicate the County will continue pursuing this priority in 2018, and that the Washington State Association of Counties is also anticipated to include this as a 2018 priority.

Investing in Public Health Services

SCA urged the Legislature this year to fund core public health services through added investment in local public health jurisdictions. There was a statewide funding increase of \$12 million, with approximately \$2 million of that going to Public Health – Seattle & King County. This was far short of the \$54 million requested for local public health jurisdictions and even further short of the \$400 million projected to be needed, meaning gaps remain in disease prevention and response. Public Health – Seattle & King County staff indicate that public health jurisdictions will continue to make a push for increased investment, with a specific request of \$7 million for King County.

Addressing the Housing and Homelessness Crisis

Amidst the ongoing affordable housing and homelessness crisis, SCA supported work to expand and make permanent the document recording fee, increase investment in the housing trust fund, and add optional local tools for creating and preserving affordable housing.

This year, the document recording fee was extended at its current rate of \$40 through 2023 as part of [SB 5254](#), which also allows a portion of REET II funding to be used for homeless housing development through June 30, 2019 under certain conditions, among other changes. However, broader legislation to add optional local tools for creating and preserving affordable housing did not advance. State investment in the Housing Trust Fund has been held up by the failure to pass a biennial capital budget. Swift passage of a capital budget will be key to expanding the supply of affordable housing and addressing underlying causes of homelessness.

Many legislators remain committed to doing something to address the ongoing housing and homelessness crisis in the current biennium. Work is still underway to determine what legislation will come forward in 2018, but key proposals under discussion include a local options

bill ([HB 1797](#)), which in its most recent iteration would make the optional 0.10 percent sales tax for mental health services and affordable housing councilmanic for King County, allow for sales tax reimbursement to cities for the construction of affordable housing and accompanying infrastructure, and allow REET flexibility; and [HB 1570](#), which would expand and make permanent the document recording fee. Housing advocates also intend to proceed with advocacy on Source of Income Discrimination ([HB 1633/SB 5407](#)).

AWC and Member City Preparations for 2018

City finances and housing and human services needs will be a focus for AWC in 2018. Late last month, AWC adopted four priorities for the 2018 session as follows:

- Strengthen city tools to address housing conditions in our communities
- Direct funds to mental health, chemical dependency, and social safety net programs
- Enhance economic development tools and programs that foster business development in cities
- Preserve state-shared revenues with cities and increase law enforcement training funds

A fact sheet summarizing each of these issues is attached here as [Attachment C](#). AWC will be holding Regional Meetings to share these 2018 priorities with members. PIC members should take note that the November 8 AWC Regional Meeting in Federal Way will conflict with a PIC meeting during which the PIC may choose to act on SCA 2018 legislative priorities.

SCA member cities will also be developing 2018 legislative priorities in the coming months and members are encouraged to share their legislative priorities with SCA staff.

Next Steps

At the October 11, 2017 PIC meeting, the PIC will discuss whether to support the recommendations of the SCA Legislative Committee and to bring back to the next meeting a policy position for final action.

Attachments

- [SCA 2017 Legislative Agenda](#)
- [Draft SCA 2018 Legislative Agenda](#)
- [AWC 2018 Legislative Priorities](#)



To provide leadership through advocacy, education, mutual support and networking to cities in King County as they act locally and partner regionally to create livable vital communities.

SCA 2017 Legislative Agenda

Adjust the Property Tax Cap

Property tax is the largest revenue source for Washington's cities, supporting critical services such as justice, health, and safety. Property taxes are capped at a level that creates an ever-widening gap between the cost of providing public services to a growing population and the revenue available to pay for them. A new property tax limit should correspond to what it actually costs local governments to continue providing services, and keep up with increased public demand.

- *The Sound Cities Association urges the Legislature to give local governments the option to replace the arbitrary annual 1% cap on property tax revenues with a growth limit whose maximum is inflation plus the rate of population growth.*

Invest in Public Health Services

Protect our communities by investing in core public health services. The 40% per capita decrease in public health funding since 1999 is reaching crisis levels across the state. The funding shortfall has left Public Health–Seattle & King County unable to fully investigate disease outbreaks. The Washington State Department of Health is requesting \$54 million for local public health jurisdictions to fill critical gaps in disease prevention and response, and to pilot shared services to improve the efficiency of the overall system.

- *The Sound Cities Association urges the Legislature to fund basic public health by investing \$54 million in core public health services.*

Address the Housing and Homelessness Crisis

Our communities face an affordable housing and homelessness crisis. Over 4,500 people are surviving unsheltered on any given night in King County, and others, including older adults and moderate and low-wage workers of all ages, are struggling to find affordable, quality housing in our region. Partnerships between state and local governments are critical to create new units of affordable housing. Renewed state commitments to help Washingtonians transition out of homelessness are necessary, as are expanded investments to address behavioral health needs and other root causes of homelessness.

- *The Sound Cities Association urges the Legislature to partner with us to address homelessness and increase the supply of affordable housing in the following ways:*
 - *Expand and make permanent the Document Recording Fee*
 - *Invest \$200 million in the Housing Trust Fund*
 - *Allow local governments to create and preserve affordable housing through a Preservation Tax Exemption and other optional local tools*
- *The Sound Cities Association urges the Legislature to address other underlying causes of homelessness by making investments in our state's behavioral health system and enacting legislation to prohibit Source of Income Discrimination.*



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DRAFT SCA 2018 Legislative Agenda

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- *The Sound Cities Association urges the Legislature to give local governments the option to replace the arbitrary annual 1% cap on property tax increases with a limit tied to inflation plus population growth.*

Invest in Public Health Services

The most basic services for keeping communities safe and healthy are at risk due to declining state investment in public health—down 40% per capita since 2000 when adjusted for inflation. The Legislature made an initial investment of \$12 million in 2017 toward the roughly \$400 million statewide funding gap, but core public health needs remain unmet. For Public Health – Seattle & King County, there's a \$7 million gap in the next county budget cycle that jeopardizes the tracking, response, and prevention of disease outbreaks and other crucial services.

- *The Sound Cities Association urges the Legislature to fund the core public health services provided by local health jurisdictions.*

Address the Housing and Homelessness Crisis

Our communities face an affordable housing and homelessness crisis. More than 11,600 people experience homelessness on a given night in King County, and others, including older adults and moderate and low-wage workers of all ages, are struggling to find affordable, quality housing in our region. Partnerships between state and local governments are critical to create new units of affordable housing. To that end, a renewed state commitment to help Washingtonians transition out of homelessness is now needed, as are expanded investments to address behavioral health needs and other root causes of homelessness.

- *The Sound Cities Association urges the Legislature to partner with us to address homelessness and increase the supply of affordable housing in the following ways:*
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